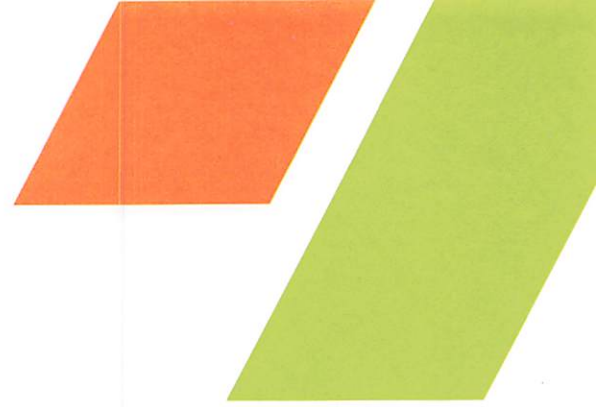


**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2023**



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
UNBC Northern Undergraduate Student Society

### *Opinion*

We have audited the financial statements of UNBC Northern Undergraduate Student Society (the "Society"), which comprise the statement of financial position as at June 30, 2023, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

See accompanying notes to these financial statements

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## INDEPENDENT AUDITOR'S REPORT, continued

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

See accompanying notes to these financial statements



## INDEPENDENT AUDITOR'S REPORT, continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on Other Legal and Regulatory Requirements*

As required by the Society Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the proceeding year.

Prince George, B.C.  
November 22, 2023

DMC Chartered Professional  
Accountants Inc.

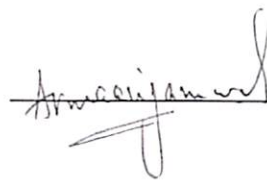
See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

	2023	2022
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 102,958	\$ 85,678
Due to government agencies	7,342	-
Current portion of long term debt (Note 6)	76,640	73,340
	<u>186,940</u>	<u>159,018</u>
LONG-TERM DEBT (Note 6)	<u>1,305,091</u>	<u>1,381,731</u>
	<u>1,492,031</u>	<u>1,540,749</u>
<b>FUND BALANCES</b>		
BUILDING FUND	751,404	670,323
CAPITAL FUND	719,250	697,640
GENERAL FUND	(157,930)	(150,180)
	<u>1,312,724</u>	<u>1,217,783</u>
	<u>\$ 2,804,755</u>	<u>\$ 2,758,532</u>

Approved on behalf of the board of directors

 Director

 Director

See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (Note 2)	\$ 606,769	\$ 514,271
Accounts receivable	27,996	31,498
Due from government agencies	429	61
Inventory (Note 3)	11,374	12,523
Prepaid expenses	31,730	21,993
	<u>678,298</u>	<u>580,346</u>
<b>TANGIBLE CAPITAL ASSETS (Note 4)</b>	<u>2,126,457</u>	<u>2,178,186</u>
	<u><u>\$ 2,804,755</u></u>	<u><u>\$ 2,758,532</u></u>

See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund 2023	Building Fund 2023	Capital Fund 2023	2023	2022
<b>REVENUE</b>					
Health and dental plan	\$ 386,795	\$ -	\$ -	\$ 386,795	\$ 375,283
Student fees	271,988	-	-	271,988	259,068
Student building fees	-	218,601	-	218,601	194,085
Degrees Coffee Shop (Schedule 1)	209,048	-	-	209,048	158,380
Thirsty Moose Pub (Schedule 2)	152,074	-	-	152,074	96,426
Miscellaneous income	21,579	-	-	21,579	53,956
Studentcare services	-	-	-	-	9,000
<b>TOTAL REVENUE</b>	<b>1,041,484</b>	<b>218,601</b>	<b>-</b>	<b>1,260,085</b>	<b>1,146,198</b>
<b>COST OF SALES</b>					
Degrees Coffee Shop (Schedule 1)	98,572	-	-	98,572	66,716
Thirsty Moose Pub (Schedule 2)	52,224	-	-	52,224	36,975
<b>TOTAL COST OF SALES</b>	<b>150,796</b>	<b>-</b>	<b>-</b>	<b>150,796</b>	<b>103,691</b>
<b>GROSS MARGIN</b>	<b>890,688</b>	<b>218,601</b>	<b>-</b>	<b>1,109,289</b>	<b>1,042,507</b>

See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund 2023	Building Fund 2023	Capital Fund 2023	2023	2022
<b>EXPENSES</b>					
Advertising and promotion	259	-	-	259	160
Amortization	-	-	68,009	68,009	66,587
Communication	2,445	-	-	2,445	2,146
Degrees Coffee Shop (Schedule 1)	129,919	-	-	129,919	94,448
Health & dental plan	329,073	-	-	329,073	390,718
Honorariums	5,551	-	-	5,551	7,150
Interest and bank charges	2,330	-	-	2,330	1,888
Interest on long-term debt	-	62,672	-	62,672	64,059
Operational	74,698	-	-	74,698	44,388
Building costs	-	1,508	-	1,508	295
Professional fees	20,411	-	-	20,411	20,881
SLO and student support	13,558	-	-	13,558	10,500
Student related expenses	9,225	-	-	9,225	8,398
Thirsty Moose Pub (Schedule 2)	128,363	-	-	128,363	99,002
Wages and benefits	166,327	-	-	166,327	154,885
<b>TOTAL EXPENSES</b>	<b>882,159</b>	<b>64,180</b>	<b>68,009</b>	<b>1,014,348</b>	<b>965,505</b>
<b>OTHER INCOME</b>					
Government Subsidy	-	-	-	-	28,912
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<b>\$ 8,529</b>	<b>\$ 154,421</b>	<b>\$ (68,009)</b>	<b>\$ 94,941</b>	<b>\$ 105,914</b>

See accompanying notes to these financial statements



**UNBC Northern Undergraduate Student Society**  
**Statement of Changes In Fund Balances**  
**For the year ended June 30, 2023**

	<b>General Fund</b>	<b>Building Fund</b>	<b>Capital Fund</b>	<b>June 30 2023</b>	<b>June 30 2022</b>
<b>Balance, beginning of year</b>	<b>\$ (150,180)</b>	<b>\$ 670,323</b>	<b>\$ 697,640</b>	<b>\$ 1,217,783</b>	<b>\$ 1,111,869</b>
Excess (deficiency) of revenue over expenditures	8,529	154,421	(68,009)	94,941	105,914
Repayment of term loan	-	(73,340)	73,340	-	-
Purchase of capital assets	(16,279)	-	16,279	-	-
<b>Balance, ending of year</b>	<b>\$ (157,930)</b>	<b>\$ 751,404</b>	<b>\$ 719,250</b>	<b>\$ 1,312,724</b>	<b>\$ 1,217,783</b>

See accompanying notes to these financial statements

**UNBC Northern Undergraduate Student Society**  
**Statement of Cash Flows**  
**For the year ended June 30, 2023**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 94,941	\$ 105,913
Adjustments for		
Amortization	68,009	66,587
Change in non-cash working capital items		
Accounts receivable	3,134	(27,466)
Prepaid expenses	(9,737)	(8,140)
Inventory	1,149	(692)
Accounts payable and accrued liabilities	17,279	49,301
Government remittances	7,342	(3,839)
	<u>182,117</u>	<u>181,664</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of capital assets	(16,279)	(38,476)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(73,340)	(70,792)
<b>INCREASE IN CASH</b>	<b>92,498</b>	<b>72,396</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>514,271</b></u>	<u><b>441,875</b></u>
<b>CASH, END OF YEAR</b>	<u><u><b>\$ 606,769</b></u></u>	<u><u><b>\$ 514,271</b></u></u>

See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NATURE OF OPERATIONS**

UNBC Northern Undergraduate Student Society (the "Society") works to facilitate an awareness of the rights and views of its members by acting in a fair and democratic manner through the promotion, education and representation of undergraduate students at the University of Northern British Columbia ("UNBC").

The Society is incorporated under the Societies Act (British Columbia), and is a non-profit organization pursuant to section 149(1) (l) of the Income Tax Act.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian Standards for Non-Profit Organizations. The significant policies are detailed as follows:

**(a) Fund accounting**

The Society follows the restricted fund method of accounting for contributions.

The Society classifies revenue and expenditures for accounting and reporting purposes into funds according to the activity or objective specified.

The General fund accounts for the operating and administrative revenues and expenditures related to the day-to-day operations of the Society.

The Capital fund accounts for the acquisition and disposal of tangible capital assets.

The Building fund accounts for revenues and expenses related to the financing of the student centre.

**(b) Revenue recognition**

Contributions related to general operations are recognized as revenue of the General fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the General fund or Building fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate fund.

Revenue from the sale of goods in Degree Coffee Shops and Thrifty Moose Pub are recognized when the goods have been accepted by the customer and reasonable assurance exists regarding the consideration to be received and ultimate collection.

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(c) Tangible capital assets**

Assets costing more than \$250 acquired by the Society for use in operations are capitalized at their respective cost. Amortization of tangible capital assets is reported in the Capital fund and has been provided on the following basis and rates:

Student Centre	Declining balance	30%
Office furniture and equipment	Declining balance	20%
Student Centre-leasehold improvements	Straight-line	50 years
Asset under capital lease	Declining balance	%

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

**(d) Inventory**

Inventory is measured at the lower of cost and net realizable value, with cost being determined using the purchase cost method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

Inventory is written down to net realizable value when the cost of inventory is not estimated to be recoverable. When the circumstances that previously caused inventory to be written down below cost no longer exists or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed (the reversal is limited to the amount of the original write-down).

**(e) Donations**

Donations of consumable goods and services are recorded as revenue at their estimated fair market value and offset by a charge to the appropriate expenditures, with the exception of the lease agreement the Society has with UNBC, see Note 8.

**(f) Government assistance**

Government assistance is accounted for as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(g) Use of estimates**

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts subject to such estimates and assumptions include the carrying amounts of accounts receivable and tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

**(h) Financial instruments**

Financial instruments originating in an arm's length transaction are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the higher of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**2. CASH**

	2023	2022
General account	\$ 341,015	\$ 282,429
Health and dental account	265,754	231,842
	<u>\$ 606,769</u>	<u>\$ 514,271</u>

**3. INVENTORY**

	2023	2022
Degrees Coffee Shop food	\$ 6,555	\$ 6,855
Thirsty Moose Pub liquor	2,648	3,247
Thirsty Moose Pub Food	2,171	2,421
	<u>\$ 11,374</u>	<u>\$ 12,523</u>

	Degrees Coffee Shop	Thirsty Moose	2023	2022
Inventory, beginning of year	\$ 6,855	\$ 5,668	\$ 12,523	\$ 11,831
Purchases	98,272	51,375	149,647	91,550
Inventory, end of year	<u>(6,555)</u>	<u>(4,819)</u>	<u>(11,374)</u>	<u>(12,523)</u>
Inventory expense during the year	<u>\$ 98,572</u>	<u>\$ 52,224</u>	<u>\$ 150,796</u>	<u>\$ 90,858</u>



**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**4. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2023 Net Book Value</b>	<b>2022 Net Book Value</b>
Computer equipment	\$ 69,070	\$ 67,425	\$ 1,645	\$ 1,984
Office equipment	574,143	526,694	47,449	43,900
Student Centre	2,849,557	774,246	2,075,311	2,132,302
Asset under capital lease	2,280	228	2,052	-
	<u>\$ 3,495,050</u>	<u>\$ 1,368,593</u>	<u>\$ 2,126,457</u>	<u>\$ 2,178,186</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
UPASS liability	\$ 44,754	\$ 39,314
BMO Mastercard	26,032	18,750
Accrued liabilities	16,500	15,000
Accounts payable	2,669	3,527
Wages and benefits payable	4,826	2,599
Other payables	4,379	2,485
Vacation pay payable	3,798	4,003
	<u>\$ 102,958</u>	<u>\$ 85,678</u>

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**6. LONG TERM DEBT**

	2023	2022
Bank of Montreal - term loan, bearing interest of 4.41% per annum, repayable in monthly payments of \$11,334 including interest. The loan is secured by a general security agreement including an assignment of student fees, commercial income and rents from operation of the Student Centre. The loan matures on January 31, 2025.	<u>\$ 1,381,731</u>	<u>\$ 1,455,071</u>
Less current portion	<u>1,381,731</u> <u>76,640</u>	<u>1,455,071</u> <u>73,340</u>
Due beyond one year	<u>\$ 1,305,091</u>	<u>\$ 1,381,731</u>

Principle repayments in the next five years are estimated to be as follows:

	June 30 2023
2024	\$ 76,640
2025	80,089
2026	83,694
2027	87,460
2028	<u>91,396</u>
Subsequent	<u>419,279</u> <u>885,812</u>
	<u>\$ 1,305,091</u>

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**7. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt.

**(a) Market risk**

The current challenging economic climate may lead to adverse changes in cash flows and working capital levels, which may also potentially have a direct impact on the operating results and financial position of the Society in the future.

**(b) Credit risk**

The Society does not normally provide credit in the normal course of business; therefore, the credit risk minimal.

**(c) Concentration risk**

The Society is affected by student enrolment at University of Northern British Columbia. A decline in enrolment or other adverse conditions could lead to reduced revenue.

**(d) Liquidity risk**

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. There has been no change to risk exposures from 2023.

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**8. STUDENT CENTRE FACILITY**

The Society and UNBC have entered into a lease agreement for the student centre facility. The agreement provides for an initial term of 25 years, two renewal terms of 25 years each and a final renewal term of 24 years. Rent under the lease is \$1 per term plus a portion of certain operating costs related to the facility. As at June 30, 2023, the fair value of these contributed services is not readily available; therefore, the Society has elected to recognize these services at cost.

**9. DIRECTOR REMUNERATION**

For the fiscal year ending June 30, 2023, the Society paid total remuneration including honorariums and source deductions as follows:

	2023	2022
President	\$ 1,644	\$ 1,600
Vice- President	1,439	1,400
Director	1,234	1,200
Director	1,234	1,200
Director	-	600
CEDI Councillor	-	550
CEDI Councillor	-	300
CEDI Councillor	-	300
	<u>\$ 5,551</u>	<u>\$ 7,150</u>

**10. SALARIES**

As required by the Societies Act, the Society must disclose the amount, in aggregate, of salaries and number of employees whose salaries are over \$75,000 per annum. There are no employees whose salaries are over \$75,000 per annum.

**11. ECONOMIC DEPENDENCE**

UNBC Northern Undergraduate Student Society generates the majority of its revenues from student fees of University of Northern British Columbia. There is an economic dependence between UNBC NUGSS and Students of UNBC.

**12. COMPARATIVE INFORMATION**

Certain 2022 comparative figures have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenditures.

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**ENTERPRISE OPERATIONS-DEGREES COFFEE SHOP**  
**JUNE 30, 2023**  
Schedule 1

	2023	2022
<b>REVENUE</b>	<b>\$ 209,048</b>	<b>\$ 158,380</b>
<b>COST OF SALES</b>		
Purchases- food	<u>98,572</u>	<u>66,716</u>
<b>GROSS PROFIT</b>	<u><b>110,476</b></u>	<u><b>91,664</b></u>
<b>EXPENSES</b>		
Advertising and promotions	7,133	2,405
Bank charges and interest	4,764	3,407
Insurance	4,589	1,655
Maintenance and repairs	3,023	1,418
Materials and supplies	6,372	4,507
Parking fees	-	257
Property taxes and licenses	2,012	1,301
Wages and benefits	<u>102,026</u>	<u>79,498</u>
	<u><b>129,919</b></u>	<u><b>94,448</b></u>
<b>OPERATING LOSS</b>	<u><b>\$ (19,443)</b></u>	<u><b>\$ (2,784)</b></u>

See accompanying notes to these financial statements

**UNBC NORTHERN UNDERGRADUATE STUDENT SOCIETY**  
**ENTERPRISE OPERATIONS- THIRSTY MOOSE PUB**  
**JUNE 30, 2023**  
Schedule 2

	2023	2022
<b>REVENUE</b>	<b>\$ 152,074</b>	<b>\$ 96,426</b>
<b>COST OF SALES</b>		
Purchases- drinks	17,517	12,142
Purchases- food	34,707	24,833
	<u>52,224</u>	<u>36,975</u>
<b>GROSS PROFIT</b>	<u>99,850</u>	<u>59,451</u>
<b>EXPENSES</b>		
Advertising	2,059	1,096
Bank charges and interest	2,778	2,097
Insurance	7,412	8,020
Materials and supplies	4,951	4,227
Office	4,941	4,081
Repairs and maintenance	3,919	7,421
Utilities	3,193	3,695
Wages and benefits	99,110	68,365
	<u>128,363</u>	<u>99,002</u>
<b>OPERATING LOSS</b>	<u>\$ (28,513)</u>	<u>\$ (39,551)</u>

See accompanying notes to these financial statements